

ICC Docket No. 03-0553

SBC Illinois Exhibit 2.1

**Rebuttal Testimony of Dr. Alan S. Frankel
On Behalf of SBC Illinois**

Schedule AF-R3

Corrected Koch Example: Hypothetical 36-Month Centrex Contract
(10% Discount for 1-Year contract, 20% Discount for 3-Year Contract, 25% Forward-Looking ETF)

ICC Docket No. 03-0553
SBC Illinois Exhibit 2.1 (Frankel)
Schedule AF-R3

		Forward-looking, 25% ETF						"Return the discount" ETF					
		1-year term (10% discount)			3-year term (20% discount)			1-year term (10% discount)			3-year term (20% discount)		
Month	Month-to-Month MARC	MARC	Remaining revenue, BOM	ETF, BOM	MARC	Remaining revenue, BOM	ETF, BOM	MARC	Discount	ETF, BOM	MARC	Discount	ETF, BOM
1	\$1,000	\$900	\$10,800	\$2,700	\$800	\$28,800	\$7,200	\$900	\$100	\$0	\$800	\$200	\$0
2	\$1,000	\$900	\$9,900	\$2,475	\$800	\$28,000	\$7,000	\$900	\$100	\$100	\$800	\$200	\$200
3	\$1,000	\$900	\$9,000	\$2,250	\$800	\$27,200	\$6,800	\$900	\$100	\$200	\$800	\$200	\$400
4	\$1,000	\$900	\$8,100	\$2,025	\$800	\$26,400	\$6,600	\$900	\$100	\$300	\$800	\$200	\$600
5	\$1,000	\$900	\$7,200	\$1,800	\$800	\$25,600	\$6,400	\$900	\$100	\$400	\$800	\$200	\$800
6	\$1,000	\$900	\$6,300	\$1,575	\$800	\$24,800	\$6,200	\$900	\$100	\$500	\$800	\$200	\$1,000
7	\$1,000	\$900	\$5,400	\$1,350	\$800	\$24,000	\$6,000	\$900	\$100	\$600	\$800	\$200	\$1,200
8	\$1,000	\$900	\$4,500	\$1,125	\$800	\$23,200	\$5,800	\$900	\$100	\$700	\$800	\$200	\$1,400
9	\$1,000	\$900	\$3,600	\$900	\$800	\$22,400	\$5,600	\$900	\$100	\$800	\$800	\$200	\$1,600
10	\$1,000	\$900	\$2,700	\$675	\$800	\$21,600	\$5,400	\$900	\$100	\$900	\$800	\$200	\$1,800
11	\$1,000	\$900	\$1,800	\$450	\$800	\$20,800	\$5,200	\$900	\$100	\$1,000	\$800	\$200	\$2,000
12	\$1,000	\$900	\$900	\$225	\$800	\$20,000	\$5,000	\$900	\$100	\$1,100	\$800	\$200	\$2,200
13	\$1,000				\$800	\$19,200	\$4,800				\$800	\$200	\$1,200
14	\$1,000				\$800	\$18,400	\$4,600				\$800	\$200	\$1,300
15	\$1,000				\$800	\$17,600	\$4,400				\$800	\$200	\$1,400
16	\$1,000				\$800	\$16,800	\$4,200				\$800	\$200	\$1,500
17	\$1,000				\$800	\$16,000	\$4,000				\$800	\$200	\$1,600
18	\$1,000				\$800	\$15,200	\$3,800				\$800	\$200	\$1,700
19	\$1,000				\$800	\$14,400	\$3,600				\$800	\$200	\$1,800
20	\$1,000				\$800	\$13,600	\$3,400				\$800	\$200	\$1,900
21	\$1,000				\$800	\$12,800	\$3,200				\$800	\$200	\$2,000
22	\$1,000				\$800	\$12,000	\$3,000				\$800	\$200	\$2,100
23	\$1,000				\$800	\$11,200	\$2,800				\$800	\$200	\$2,200
24	\$1,000				\$800	\$10,400	\$2,600				\$800	\$200	\$2,300
25	\$1,000				\$800	\$9,600	\$2,400				\$800	\$200	\$2,400
26	\$1,000				\$800	\$8,800	\$2,200				\$800	\$200	\$2,500
27	\$1,000				\$800	\$8,000	\$2,000				\$800	\$200	\$2,600
28	\$1,000				\$800	\$7,200	\$1,800				\$800	\$200	\$2,700
29	\$1,000				\$800	\$6,400	\$1,600				\$800	\$200	\$2,800
30	\$1,000				\$800	\$5,600	\$1,400				\$800	\$200	\$2,900
31	\$1,000				\$800	\$4,800	\$1,200				\$800	\$200	\$3,000
32	\$1,000				\$800	\$4,000	\$1,000				\$800	\$200	\$3,100
33	\$1,000				\$800	\$3,200	\$800				\$800	\$200	\$3,200
34	\$1,000				\$800	\$2,400	\$600				\$800	\$200	\$3,300
35	\$1,000				\$800	\$1,600	\$400				\$800	\$200	\$3,400
36	\$1,000				\$800	\$800	\$200				\$800	\$200	\$3,500